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The Leadership Journey -The role of Emotional Intelligence

Dr Paul Power

Chair : Mr Nick Mills

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AITD National Conference

The Leadership Journey: The Role of Emotional Intelligence

Paul Power PhD

October 17, 2002

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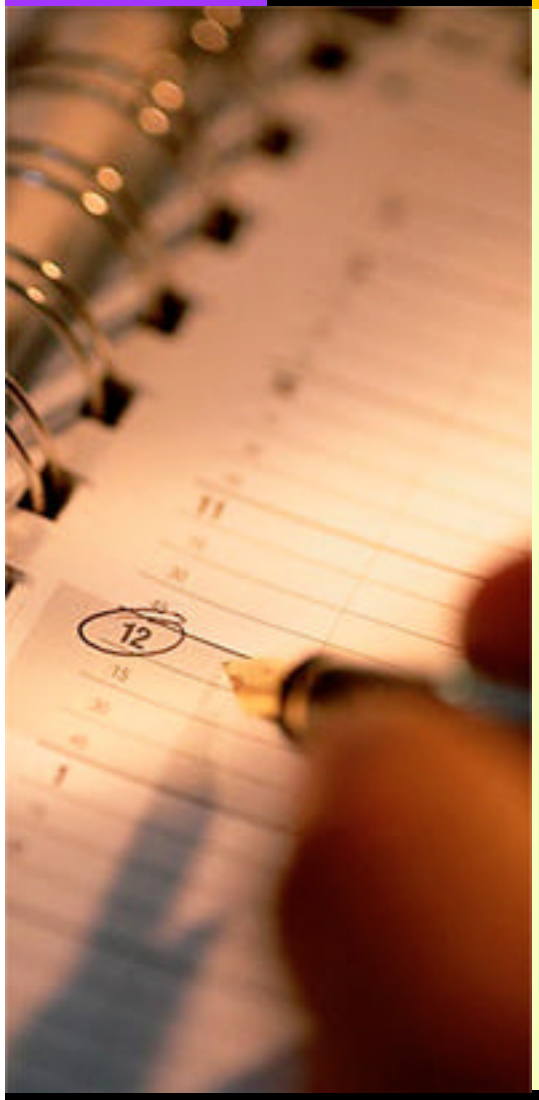
Agenda...



- Context: *The Leadership Development Imperative*
- Leadership Effectiveness Framework
- Journeys in Leadership Development: *Case Studies*
- Discussion

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Achieving Leadership Excellence

"Executive leadership is a key source of competitive advantage… it should rank in a company's top five strategic priorities"
(M.W. McCall, 1992)

"Leadership development and succession planning will be the priority issues of the next decade"
(Jay Conger, 1999)

"This much is certain: The old-economy model of leadership is obsolete. These days, the creation of a vibrant network of grassroots leaders may be the most important - as well as the most difficult - aspect of developing the art of leadership"

(Fastcompany, 1999)

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Achieving Leadership Excellence

"Transformational, or socialised, leadership is directed toward the service of collective interests, where leaders acknowledge the need to understand and show respect for their followers, attempting to motivate them through reason and emotional appeal."

(Bruce Avolio & Bernard Bass, 2002)

Each and every leader, can become much more effective by focusing on a small number of core aspects of leadership and by developing a new mind-set about the leader's responsibility to herself or himself and to those with whom she or he works.

(Michael Fullan, 2001)

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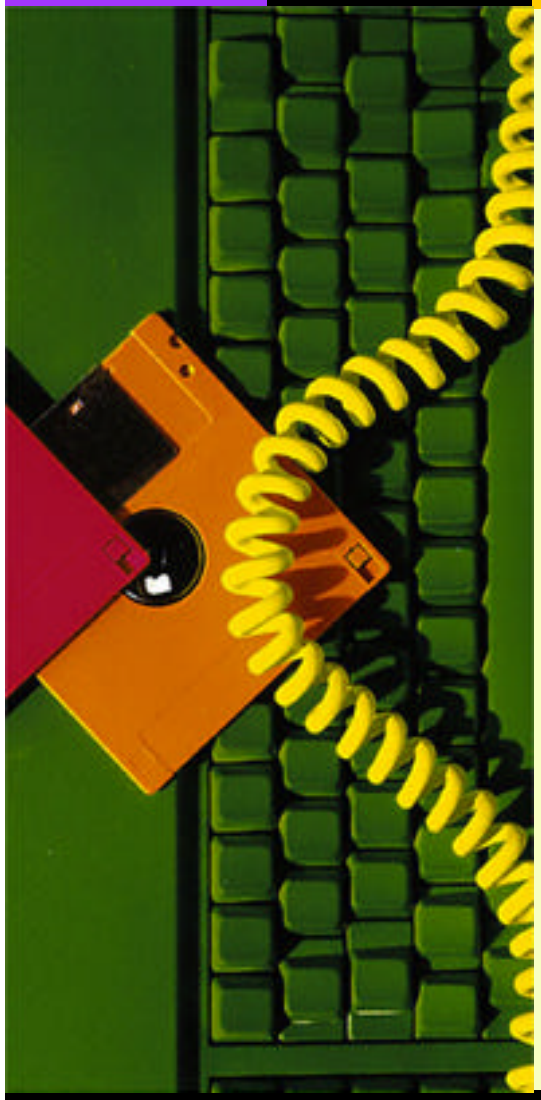
Why We Need Leaders:



What Recent Surveys Are Telling Us:

- More than 50% of employees lack the motivation to keep learning and improving
- 4 in 10 people cannot work cooperatively
- Only 19% of entry-level applicants have adequate self-discipline for their jobs

What Our Clients Are Telling Us:

- Critical shortages of leadership capability
- Competition for top talent
- Leaders not behaving differently despite years of development programs

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What is Leadership Development?

Developing outstanding leadership capability is all about *personal and professional transformation* that will create value for the leader, the team and the organization.

We develop as leaders when we are ready and willing to *make the hard changes in ourselves.*

Leadership development happens when people realize it's as much about their own personal lives as it is about their organisational role

Leadership development is an inward journey that *must engage the heart as well as the head* - it is a call to growth in ourselves and in our relationships

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Leadership: From the Inside Out

Understanding and Managing Self

STAGE I: ***PREPARATION***

STAGE II: ***TRANSITION***

STAGE III: ***TRANSFORMATION***

Understanding and Managing Others

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Stage I Preparation

- Answering the call
- Discovering one's passions
- Developing the skills for learning
- Taking the first risk - "Crossing the threshold"
- Finding a mentor and guide
- Seeking companions for the journey
- Establishing a road map

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Stage II Transition

- Embarking on the "road of trials"
- Facing the greatest personal challenges
- Shifting paradigms and thinking differently about self
- Incorporating new behaviours

Understanding and Managing Self

STAGE I: ***PREPARATION***

STAGE II: ***TRANSITION***

Understanding and Managing Others

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Stage III Transformation

- Coaching and Contributing to others
- Consolidating change
- Providing vision and energizing others
- Aligning levers for sustained change

Understanding and Managing Self

STAGE I: ***PREPARATION***

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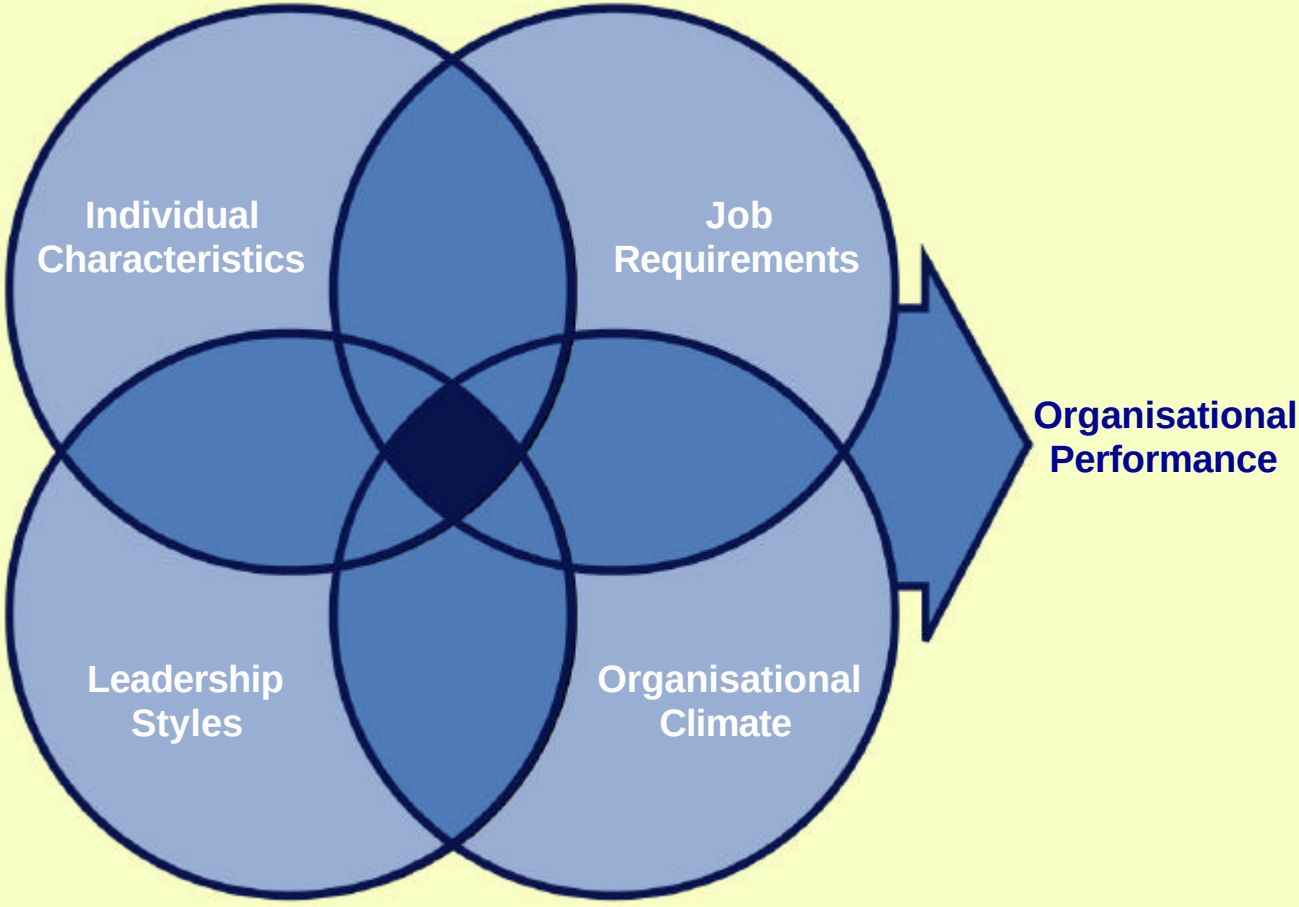
Understanding and Managing Others

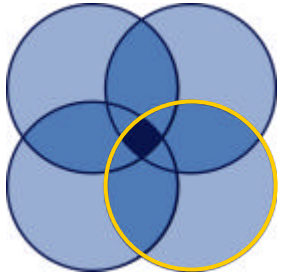
Leadership Effectiveness

HayGroup's Four-Circle Model of Organisational Performance



Organisational Climate

Hay research...



Research has shown *28% to 30%* of the variance in *business results* can be explained by differences in *organisational climate.*

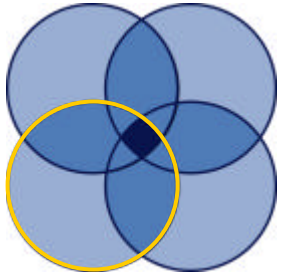
Flexibility	No unnecessary rules New ideas are accepted
Responsibility	Authority delegated Accountable for outcome
Standards	Emphasis on performance Challenging/attainable goals
Rewards	Good performance recognized Differentiated rewards
Clarity	Expectations clear Expectations linked to mission
Commitment	Proud to belong Discretionary effort

Managerial Styles

Research has shown up to *70%* of the variance in *organisational climate* can be accounted for by the differences in *leadership styles* demonstrated by management.

Coercive	Immediate compliance
Authoritative	Long-term direction and vision
Affiliative	Creating harmony
Democratic	Building commitment and generating new ideas
Pacesetting	Task accomplishment to high standard of excellence
Coaching	Long-term professional development of others

Hay research...



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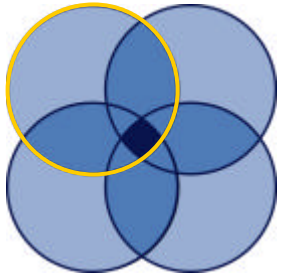
Job Requirements

To develop effective leaders, an analysis of what the job requires the person to do is critical

Understanding the job requirements in relations to what a person brings to the job and finds satisfying explains why some individuals perform well in some aspects and find other parts of the job frustrating

Individual Characteristics

Rarely if ever, do knowledge and skill alone differentiate performance;... What does differentiate performance are a person's more deep-rooted characteristics.



Technical Training

Skill

Knowledge

Role/Image

Trait

Motive

Leadership Development

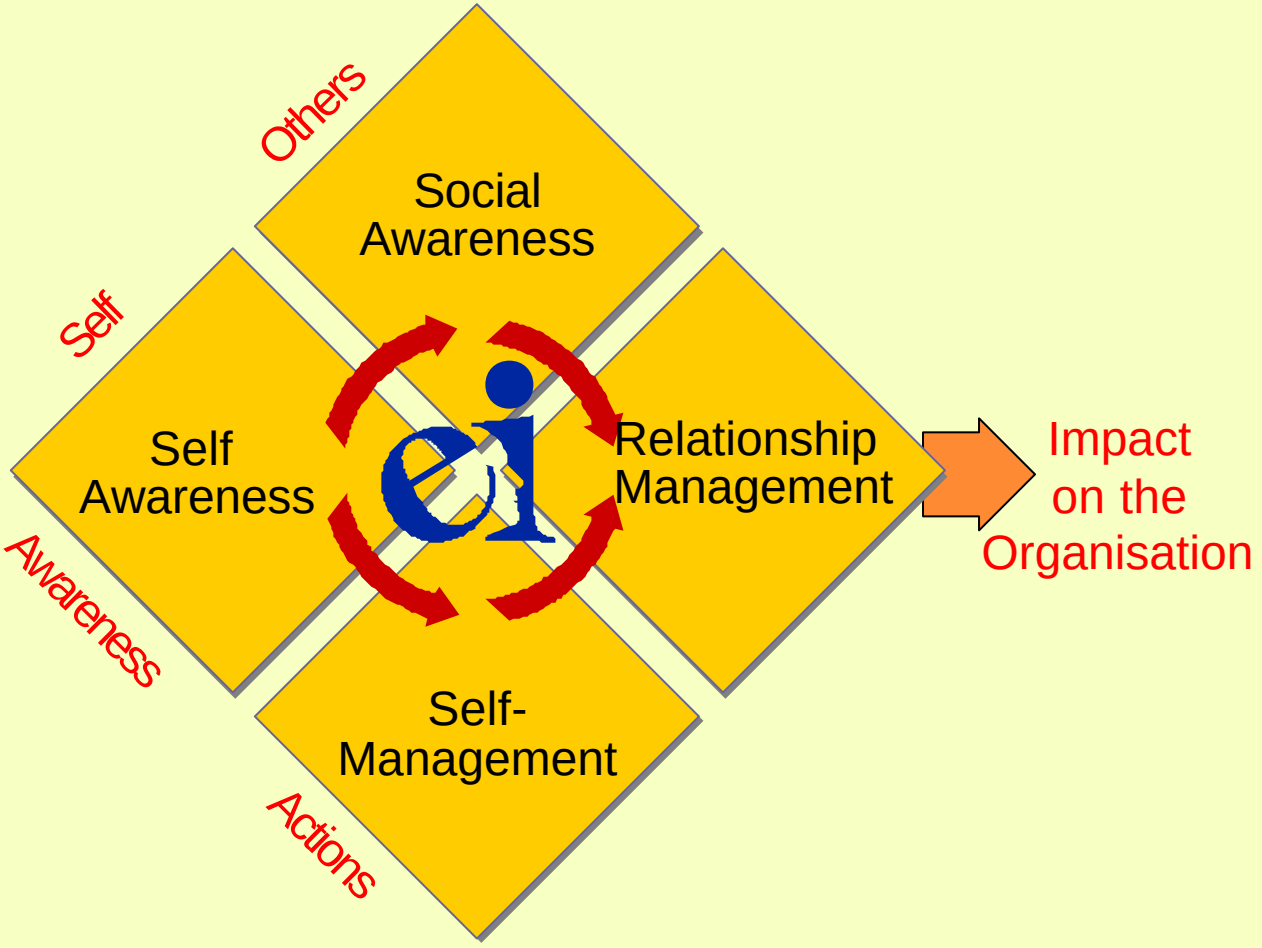
Emotional Intelligence Defined

"The capacity for recognising our own feelings and those of others, for motivating ourselves, for managing emotions well in ourselves and in our relationships."

Daniel Goleman

A Profile of Leadership Effectiveness

Emotional Intelligence



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Leadership and Emotional Intelligence

Leadership in the Most Admired Companies

EI Competencies *(EI Quadrant)*	Frequency Shown
Self Confidence (Self-Awareness)	2x
Self Control	7x
Achievement Orientation (Self-Management)	2x
Empathy (Social Awareness)	3x
Teamwork (Relationship Management)	2.5x

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Journeys in Leadership Development

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Case Study #1

Background: Educational institutions perceived to be underperforming in terms of teaching effectiveness and student learning

Key Challenges:

- poor organisation climate: affiliative and democratic leadership styles most dominant
- low morale among teaching staff
- parent dissatisfaction with the schools
- teachers spending more time discussing personal problems than teaching priorities
- ineffective performance management processes

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The Intervention

Conducted development program for Principals and their leadership teams:

- Clarity of roles
- Expectations for teaching staff
- Expectations for students
- Mechanisms for reviewing performance

- Facilitated 2 day school leadership development program, with follow-up assistance in the school

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Outcomes

- Improved operation of the leadership team: “Speak with one voice”; “Concentrate on priorities”; “Provide coaching and advice”.
- Increased staff discussion of teaching and learning issues
- Perception that teaching is more effective
- Improvement in school climate

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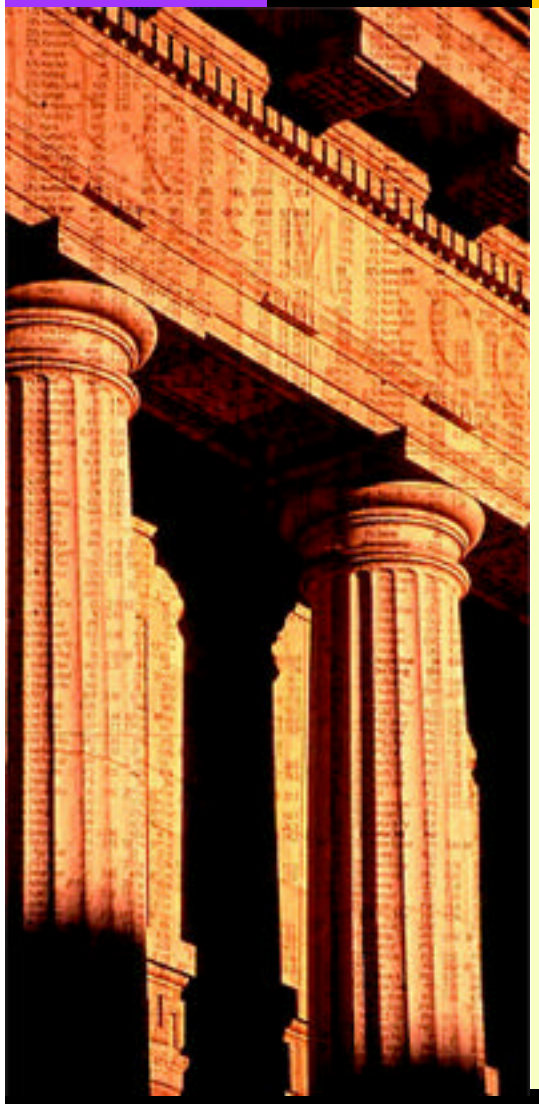
Case Study #2



Background: Large national bank

Key Business Challenges:

- Languishing stock price
- Declining organisation climate
- Introduction of Value-Based Management (VBM)
- No significant changes in management behaviour despite years of training
- Intensifying competition

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The Intervention

Intensive Five-Day Managerial Leadership Development Program:

- Integrated emotional intelligence with a current bank-wide initiative
- Intensive business simulation used to apply EI and business skills and demonstrate impact of managerial leadership on climate and business results
- Innovative methods to enhance relationships and deepen learning during and after the program (coaching partners, learning journals, referent groups)
- Executive sponsors played a key role: “Fireside chats” with CEO and senior executives; participation during simulation and debriefings

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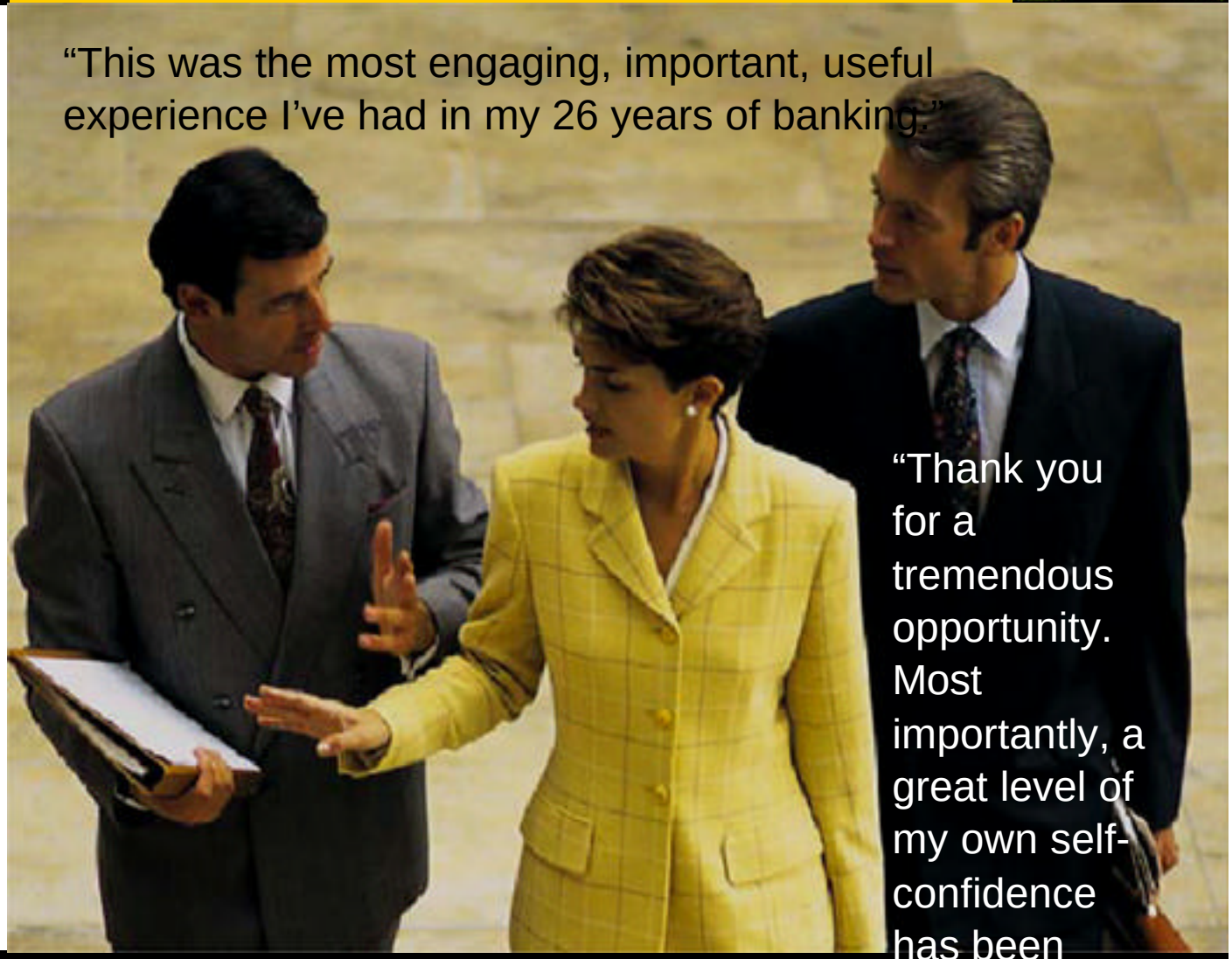
What People Said

"I've learned that although financial results are important, it is equally important as to how you achieve them - the process is as critical as the end result."

"I will make sure I think about my feelings and others' feelings whenever we come together to sort out how we'll create our future together."

"This was the most engaging, important, useful experience I've had in my 26 years of banking."



"Thank you for a tremendous opportunity. Most importantly, a great level of my own self-confidence has been restored."

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Case Study #3

Background: One of North America's largest insurance companies

Key Business Challenges:

- Shift from a sales to a marketing organization
- Demand insurance products (auto, home) becoming a commodity
- New technology - e.g. internet changing the need for face-to-face service
- Agents not motivated to sell non-demand products (life insurance)

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The Intervention

Developed Agent Competency Model:

"What are the key competencies agents need to sell non-demand products successfully?"

- Return on Investment: Agents with 5 or more key competencies sold 248% more annual life premiums than the average

Designed Two Leadership Development Programs:

- Agent Development
- Field Operations Leadership and Coaching

Program Impact

Performance Improvements Follows:

Performers *(Percentile)*	Revenue Increase
50	15%
70	21%
90	24%

- ROI: Each dollar invested in training resulted in $16 of incremental revenue
- Payback on training investment realized in three months

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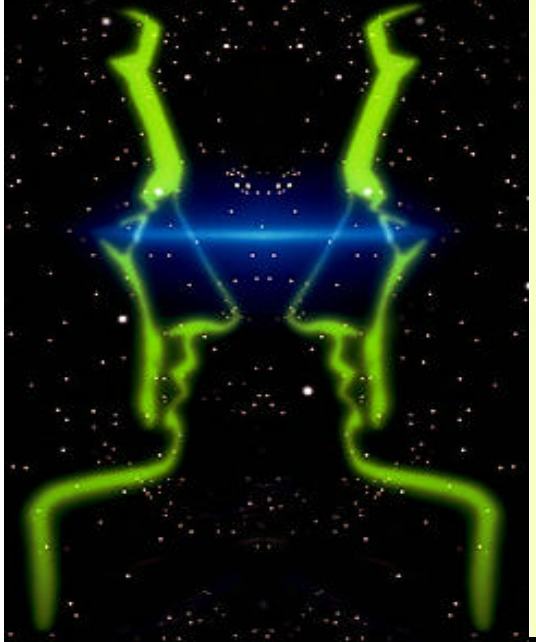
Key Questions

Linking Leadership Development to Business Strategy



Do we have a clear vision and values?

Is leadership development linked to our strategic goals?

What is the context for leadership development - do we know the right competencies for leadership?

Do we make sufficient use of planned career assignments and personal mentoring?

Do we learn from our own successful leaders - do our leaders take an active and formal role in developing others?

Are we unwilling to accept inappropriate top management behaviour?

Does our organization view social and emotional skills as more important than technical skills to leadership success?

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Questions & Discussion

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What Sets Leaders Apart?

"Effective leaders are alike in one crucial way: They all have high degree of emotional intelligence"

What Makes a Leader
Daniel Goleman, 1998

"It's bad execution. As simple as that: Not getting things done, being indecisive, not delivering on commitments… The best CEOs are deeply interested in people… it's all about knowledge and execution.

Ram Charan and Geoffery Colvin
Why CEOs Fail

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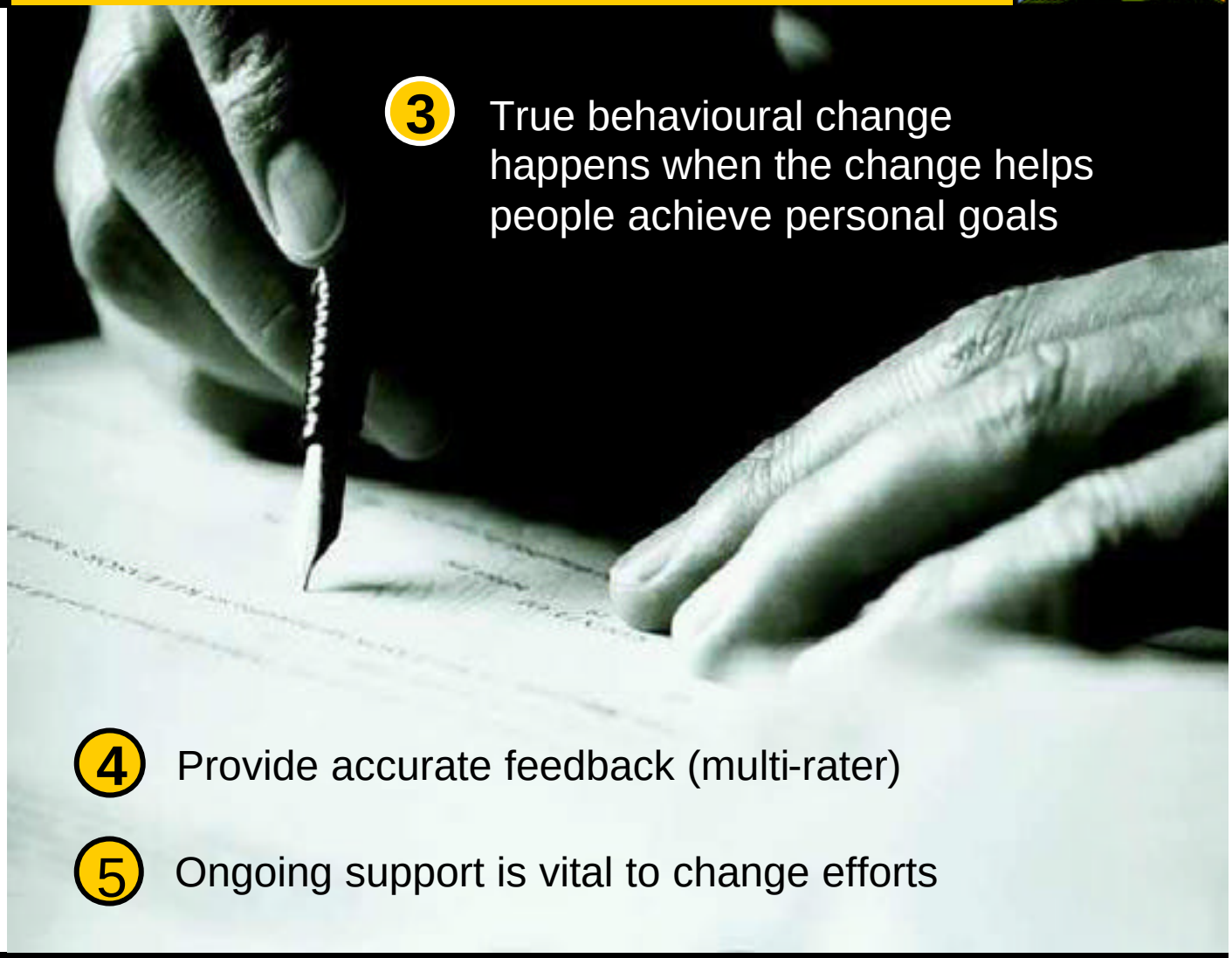
Best Practices in EI Development

1. There must be an individual plan in place

2. Behavioural change takes time and practice



3. True behavioural change happens when the change helps people achieve personal goals

4. Provide accurate feedback (multi-rater)

5. Ongoing support is vital to change efforts

Best Practices in Leadership Development

Sharing Expert Knowledge

- Professional practicums
- On-line leaders' forums
- Lunch and learn series
- Web conferences
- External presenters
- Leadership newsletters (e-mail distribution)

On-the-Job Development

- Formal mentoring programs
- Planned job movements
- "Coaches' Corner" (on-line coaching)
- Resource development guides
- CD ROMs; video & audio tapes

Formal Learning/Enhancing Self-Management

- Contracting for leadership & learning
- Assessment and feedback (competencies; style, climate)
- Residential leadership development programs
- On-line learning series; virtual classrooms

Experimentation

- "Workouts"
- Quality Management Teams
- Simulations

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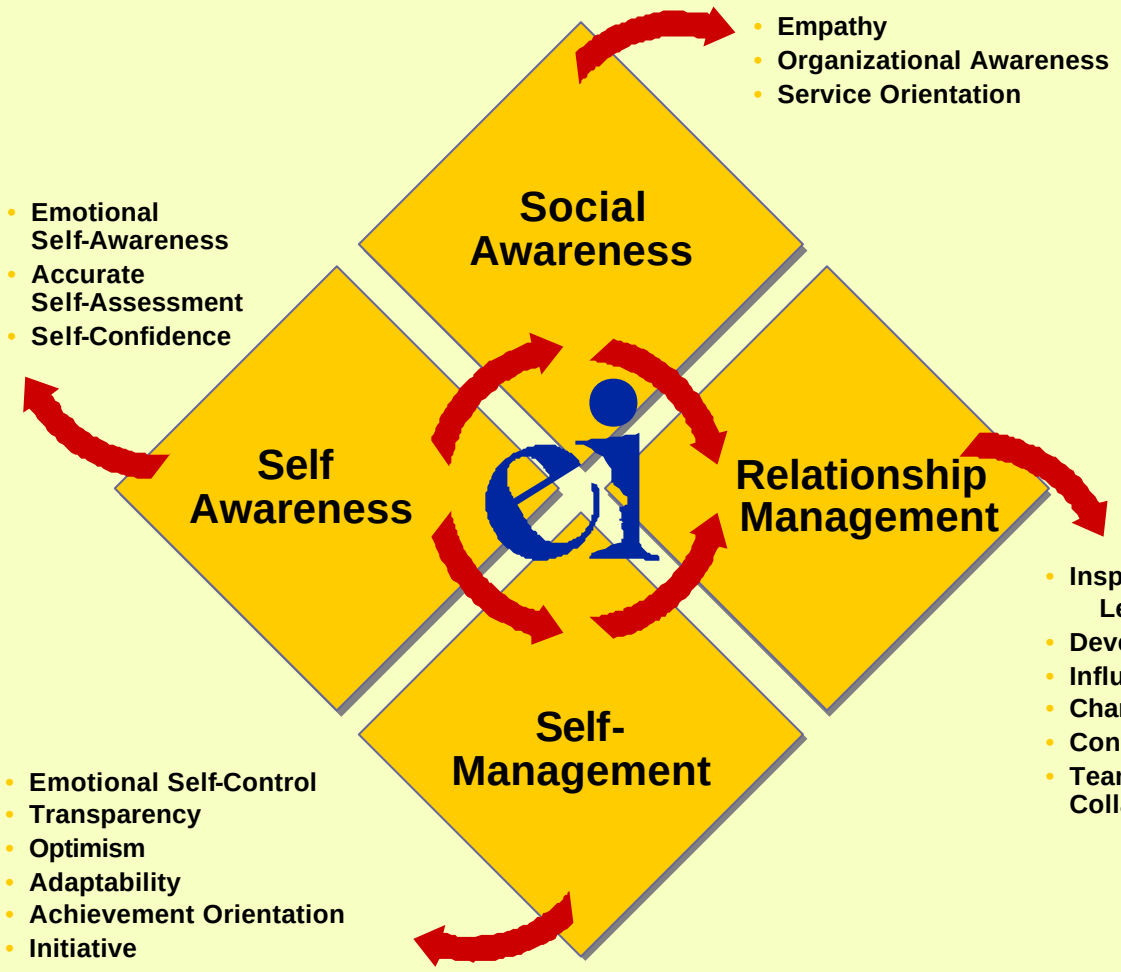
A Profile of Leadership Effectiveness

Emotional Intelligence



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Developing Leaders

How Do Your Leaders Best Learn?

	"Use A Great Deal"	
	Most Admired	Peer Group
Planned career assignments	61%	35%
Individual one-on-one coaching	57%	22%
Formal in-house training	52%	51%
Business school executive program	35%	16%
Off-the-shelf study program	0%	6%

(1999 Fortune - The World's Most Admired Companies)

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A Continuum of Leadership Interventions

- Self-propelled development (e.g., readings; on-line presentations, informal coaching)
- Individual assessment and feedback (e.g., motives, competencies, leadership styles, climate)
- “Deep Dive” formal learning interventions (including assessment feedback; one-on-one consultations; simulations)
- Sustaining activities (e.g., planned job movements; leadership “communities of practice”; formal mentor assignments; modifications to HR practices)

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